

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. W-1300, SUB 60

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	
Application by Old North State Water	)
Company, LLC, 3212 6th Avenue South,	)
Suite 200, Birmingham, Alabama 35222,	)
for Authority to Adjust and Increase	)
Rates for Water Utility Service in All Its	)
Service Areas in North Carolina	)
	ORDER ESTABLISHING
	DISCOVERY GUIDELINES,
	SCHEDULING HEARINGS, AND
	REQUIRING CUSTOMER NOTICE

BY THE COMMISSION: On June 29, 2021, Old North State Water Company, LLC (ONSWC or the Company), filed an application with the North Carolina Utilities Commission (Commission) seeking authority to adjust and increase its rates for providing water utility service in all of its service areas in North Carolina. ONSWC serves approximately 1,576 water customers in eight counties in the state. This is the first time ONSWC has come before the Commission requesting an adjustment and increase in its rates.

On July 26, 2021, the Commission issued an order declaring this proceeding to be a general rate case and suspending the proposed new rates for up to 270 days pursuant to N.C. Gen. Stat. §§ 62-137 and 134, respectively.

ONSWC was first granted a certificate of public convenience and necessity to provide water utility service in Leone Landing Subdivision by Commission order issued on July 21, 2014, in Docket No. W-1300, Sub 4. Since that time, ONSWC has acquired 36 water systems and been approved to charge rates that vary by system. In its application, ONSWC requests uniform rates for all its water service areas in North Carolina.

In its application, ONSWC proposes to increase its rates and charges to produce an additional \$512,619 in gross revenues, which would result in an overall revenue increase of approximately 68%. ONSWC further proposes revised tariffs for uniform base facility charge and usage charge.

ONSWC states in its application that its request is necessary due to operating costs required to comply with service obligations and an appropriate level of service, all occurring during the test year and continuing up through the time of filing the application. ONSWC further states that it is currently operating at a substantial loss.

Based upon the foregoing and the record in this proceeding, the Commission hereby establishes the procedural schedule, including filing requirements of ONSWC and other parties, and requires public notice.

The guidelines regarding discovery in this docket, subject to modification for good cause shown, are as follows:

1. Any deposition shall be taken before the deadline for the filing of Public Staff - North Carolina Utilities Commission (Public Staff) and other intervenor testimony. A notice of deposition shall be served on all parties at least seven calendar days prior to the taking of the deposition.

2. Any motion for subpoena of a witness to appear at the expert witness hearing shall be filed with the Commission before the deadline for the filing of the Public Staff and other intervenor testimony, be served by hand delivery or facsimile to the person sought to be subpoenaed at or before the time of filing with the Commission, and make a reasonable showing that the evidence of such person will be material and relevant to an issue in the proceeding, as required by N.C.G.S. § 62-62. Unless an objection is filed, the Chief Clerk shall issue the requested subpoena within one business day of the filing of such motion.

3. Formal discovery requests related to the general rate case application and the Company's prefiled direct testimony shall be served on the Company by hand delivery, facsimile, or electronic delivery (with the Company's agreement) no later than 14 calendar days prior to the filing of Public Staff and other intervenor testimony. The Company shall have up to ten calendar days to file, with the Commission, objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than ten calendar days prior to the deadline for the filing of Public Staff and other intervenor testimony.

4. Formal discovery requests of the Public Staff or other intervenors shall be served by hand delivery, facsimile, or electronic delivery (with the agreement of the receiving party) no later than four calendar days after the filing of that party's testimony. The party served shall have up to three business days to file, with the Commission, objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than seven calendar days after the filing of that party's testimony.

5. Formal discovery requests related to prefiled rebuttal testimony shall be served by hand delivery, facsimile, or electronic delivery (with the Company's agreement) no later than four calendar days after the filing of such testimony. The party served shall have up to three calendar days to file with the Commission objections to the discovery requests on an item-by-item basis, but in no event shall objections be filed later than seven business days after the filing of such rebuttal testimony. Discovery related to rebuttal testimony shall be limited to new material introduced in such rebuttal testimony and will be carefully scrutinized upon objection that such discovery should have been sought during the initial period of discovery.

6. Discovery requests need not be filed with the Commission when served; however, any party filing objections shall attach a copy of the relevant discovery request to the objections. Each discovery request, or part thereof, to which no objection is filed

shall be answered by the time objections are due, subject to other agreement of the affected parties or other order of the Commission. Upon the filing of objections, the party seeking discovery shall have two business days to file with the Commission a motion to compel, and the party objecting to discovery shall have one business day thereafter to file a response. All objections, motions to compel, and responses shall be served on the other affected party by hand delivery, facsimile, or electronic delivery (with the agreement of the receiving party) at or before the time of filing with the Commission.

7. A party shall not be granted an extension of time to pursue discovery due to that party's late intervention or other delay in initiating discovery.

The Commission urges all parties to work in a cooperative manner to accommodate discovery within the time available. The Commission recognizes that in the past, most discovery has been conducted in an informal manner without the need for Commission involvement or enforcement, and that such has been generally successful. The above guidelines are without prejudice to the parties conducting informal discovery or exchanging information by agreement at any time with the understanding that such will not be enforceable by the Commission if outside the guidelines.

IT IS, THEREFORE, ORDERED as follows:

1. That public witness hearings on the Application shall be, and are hereby, scheduled for Thursday, October 7, 2021, and shall be held remotely via Webex. The first session will begin at 1:30 p.m. and end at the earlier of the conclusion of the last witness' testimony or 4:30 p.m. The second session will begin at 6:30 p.m. and end at the earlier of the last witness' testimony or 10:30 p.m. A link to view the hearing will be available at [www.ncuc.net](http://www.ncuc.net). Members of the public that would like to testify must register in advance of the hearing, no later than 5:00 p.m. on Friday, October 1, 2021, by contacting the Public Staff via email at [ONSWCPublicHearing@psncuc.nc.gov](mailto:ONSWCPublicHearing@psncuc.nc.gov) or by calling 919-733-6110. Individuals registering to testify must provide their name, the docket number (W-1300, Sub 60), the time of the hearing at which they plan to speak, the telephone number they will use to participate in the hearing, and the topic of their testimony;

**Only individuals registered with the Public Staff by 5:00 p.m. on Friday, October 1, 2021, will be allowed to testify at the hearings.**

2. That the public witness hearings will be solely for the purpose of receiving the testimony of public witnesses in accordance with Commission Rule R1-21(g). The Commission reserves the right to limit testimony at the public witness hearings;

3. That the Company is required to file reports addressing all customer service and service quality complaints expressed at the public hearings within 20 days after each hearing wherein the complaints were expressed;

4. That the hearing will resume on Thursday, December 2, 2021, at 10:00 a.m., in Commission Hearing Room 2115, Dobbs Building, 430 North Salisbury Street, Raleigh, North Carolina, solely for the purpose of receiving expert witness testimony from the parties' witnesses, and will continue as required for testimony and cross-examination of expert witnesses for the Company, the Public Staff, and other intervenors;

5. That the Commission will determine not only the justness and reasonableness of the Company's overall requested changes in rates, but also the appropriate level of rates to be established for each individual rate class;

6. That the test period to be used by all parties in this proceeding shall be the 12-month period ending on December 31, 2020, with appropriate adjustments;

7. That the parties shall comply with the discovery guidelines established herein and shall work in a cooperative manner as to discovery;

8. That, subject to the provisions of N.C.G.S. § 62-133(c) and Commission Rule R1-17, the Company's updates to its actual revenues, expenses, rate base, and cost of capital for the period ending August 31, 2021, shall be filed on or before September 20, 2021;

9. That petitions to intervene in this proceeding shall be filed pursuant to Commission Rules R1-5 and R1-19 no later than Monday, October 18, 2021;

10. That the direct testimony and exhibits of the Public Staff and other intervenors shall be filed on or before Thursday, October 28, 2021, and that the rebuttal testimony and exhibits of ONSWC, if any, shall be filed on or before Friday, November 12, 2021;

11. That the Company shall consult with all other parties and file, no later than Friday, November 22, 2021, a list of witnesses to be called at the expert witness hearing, the order of witnesses, and each party's estimated time for cross-examination. If the parties cannot agree, the remaining parties shall, no later than Tuesday, November 24, 2021, make a filing indicating their points of disagreement with the Company's filing;

12. That all parties filing supporting exhibits in PDF format shall provide to the Commission Staff electronic versions of the exhibits filed in native Excel format via email at NCUCexhibits@ncuc.net, where applicable, including all of the supporting tabs and formulas, within three days of the filing of such exhibits; and that the Company and all other parties filing exhibits and workpapers that include tables of numbers and calculations shall provide the Public Staff and any other party upon request an electronic version of all such exhibits and workpapers, with formulas intact; and

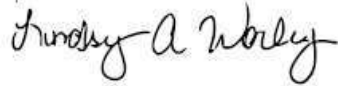
13. That the Notice to Customers, attached as Appendix A, shall be mailed with sufficient postage or hand delivered by the Company to all water customers no later than 7 days after the date of this Order; and the Company shall submit to the Commission a

Certificate of Service properly signed and notarized no later than 10 days after the date of this Order.

ISSUED BY ORDER OF THE COMMISSION.

This the 21st day of September, 2021.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in black ink, reading "Lindsey A. Worley". The signature is written in a cursive, flowing style.

Lindsey A. Worley, Acting Deputy Clerk

STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH

NOTICE TO CUSTOMERS  
DOCKET NO. W-1300, SUB 60  
BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

Notice is given that Old North State Water Company, LLC (ONSWC or Company), 3212 6th Avenue South, Suite 200, Birmingham, Alabama 35222, has filed an application with the North Carolina Utilities Commission (Commission) for authority to adjust and increase rates for providing water utility service in all its service areas in North Carolina. **The Company's proposed changes to the present water rates are as follows:**

WATER UTILITY SERVICE

Service Area <sup>1</sup>	County	Present Rates			Proposed Rates			Rate Effect <sup>3</sup>
		Base Charge	Usage Charge <sup>2</sup>	Average Monthly Bill	Base Charge	Usage Charge <sup>2</sup>	Average Monthly Bill	
<i>Arlington Manor</i>	Wake	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
Ashcroft Park	Guilford	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
Asheboro County Club	Randolph	\$17.97	\$5.03	\$41.86	\$27.00	\$8.29	\$66.38	59%
Autumn Ridge	Guilford	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
Avalyn	Wake	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
Bailey Farms	Franklin	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
Baileys at Glenmoor	Wake	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
<i>Bella Terra</i>	Wake	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
Bella Vista	Wake	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
Bingham Woods MHP	Orange	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
Blaney Farms	Wake	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
Blaney South	Wake	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
Blawell <sup>4</sup>	Cumberland	\$34.14	\$3.29	\$49.77	\$27.00	\$8.29	\$66.38	33%
<i>Brook Meadow</i>	Wake	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
Camberly	Wake	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
Carriage Cove	Guilford	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
Carriage Way	Guilford	\$17.97	\$5.03	\$41.86	\$27.00	\$8.29	\$66.38	59%
Dogwood Acres	Rockingham	\$17.02	\$4.80	\$39.82	\$27.00	\$8.29	\$66.38	67%
Ethans Meadows	Wake	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
<i>Fish Hawk Ranch</i>	Wake	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
Jackson Manor	Wake	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%

Continues on the next page.

<sup>1</sup> The service areas in italics are subject to pending certificate or contiguous extension filings before the Commission.

<sup>2</sup> Usage charge, per 1,000 gallons.

<sup>3</sup> The effect of the proposed rate increase will vary based on usage. The average monthly water bill is based on the test period average usage of approximately 4,750 gallons.

<sup>4</sup> ONSWC purchases water from the Town of Stedman to supply the Blawell water system.

Service Area <sup>1</sup>	County	Present Rates			Proposed Rates			Rate Effect <sup>3</sup>
		Base Charge	Usage Charge <sup>2</sup>	Average Monthly Bill	Base Charge	Usage Charge <sup>2</sup>	Average Monthly Bill	
Kanata Mills (Camp Kanata)	Wake	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
Kensington Place	Guilford	\$17.97	\$5.03	\$41.86	\$27.00	\$8.29	\$66.38	59%
Kingston Manor	Wake	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
Knights Landing	Guilford	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
Leone Landing	Wake	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
Meadow Lake (Donnybrook)	Wake	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
Mendenhall	Wake	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
Mornington	Wake	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
Olde Mill Trace	Wake	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
<i>Prescott</i>	<i>Wake</i>	<i>\$15.00</i>	<i>\$5.00</i>	<i>\$38.75</i>	<i>\$27.00</i>	<i>\$8.29</i>	<i>\$66.38</i>	<i>71%</i>
Rachel's Landing	Guilford	\$17.97	\$5.03	\$41.86	\$27.00	\$8.29	\$66.38	59%
Rocklyn <sup>5</sup>	Davidson	\$25.00	\$5.50	\$51.13	\$27.00	\$8.29	\$66.38	30%
Senter Road	Wake	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
Shiloh	Guilford	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
Spencer's Grove	Guilford	\$17.97	\$5.03	\$41.86	\$27.00	\$8.29	\$66.38	59%
<i>Sterling Crest II</i>	<i>Wake</i>	<i>\$15.00</i>	<i>\$5.00</i>	<i>\$38.75</i>	<i>\$27.00</i>	<i>\$8.29</i>	<i>\$66.38</i>	<i>71%</i>
Stonewood Manor	Wake	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
<i>Thatcher Woods</i>	<i>Guilford</i>	<i>\$15.00</i>	<i>\$5.00</i>	<i>\$38.75</i>	<i>\$27.00</i>	<i>\$8.29</i>	<i>\$66.38</i>	<i>71%</i>
Twin Lake Farms	Wake	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
Vernon Place	Wake	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
Weatherstone Olde Forest	Guilford	\$17.97	\$5.03	\$41.86	\$27.00	\$8.29	\$66.38	59%
Yardley	Wake	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%
Yates Mills	Wake	\$15.00	\$5.00	\$38.75	\$27.00	\$8.29	\$66.38	71%

## **PUBLIC HEARINGS**

The Commission has scheduled the Application for public witness hearings on Thursday, October 7, 2021. These hearings shall be held remotely via Webex. The first session will begin at 1:30 p.m. and end at the earlier of the conclusion of the last witness' testimony or 4:30 p.m. The second session will begin at 6:30 p.m. and end at the earlier of the last witness' testimony or 10:30 p.m. A link to view the hearing will be available at [www.ncuc.net](http://www.ncuc.net). Members of the public that would like to testify must register in advance of the hearing, no later than 5:00 p.m. on Friday, October 1, 2021, by contacting the Public Staff via email at [ONSWCPublicHearing@psncuc.nc.gov](mailto:ONSWCPublicHearing@psncuc.nc.gov) or by calling 919-733-6110. Individuals registering to testify must provide their name, the docket number (W-1300, Sub 60), the time of the hearing at which they plan to speak, the telephone number they will use to participate in the hearing, and the topic of their testimony.

**Only individuals registered with the Public Staff by 5:00 p.m. on Friday, October 1, 2021, will be allowed to testify at the hearings.**

---

<sup>5</sup> ONSWC purchases water from the City of Winston-Salem to supply the Rocklyn water system.

That the public witness hearings will be solely for the purpose of receiving the testimony of public witnesses in accordance with Commission Rule R1-21(g). The Commission reserves the right to limit testimony at the public witness hearings.

That the hearing will resume on Thursday, December 2, 2021, at 10:00 a.m., and will continue as required for testimony and cross-examination of expert witnesses for the Company, the Public Staff, and other intervenors. The Commission will issue a subsequent order scheduling the expert witness hearing to be held in person in Commission Hearing Room 2115 in Raleigh or remote via Webex and setting forth the procedures for the remote expert witness hearing.

The Public Staff is authorized by statute to represent consumers in proceedings before the Commission. Written statements to the Public Staff should include the name of the subdivision where the customer is receiving service, contact information, and any information that the writer wishes to be considered by the Public Staff in its investigation of the matter; these statements should be addressed to Mr. Christopher J. Ayers, Executive Director, Public Staff, 4326 Mail Service Center, Raleigh, North Carolina 27699-4326. Written statements may also be faxed to (919) 715-6704 or e-mailed to [statements@ncuc.net](mailto:statements@ncuc.net).

The Attorney General is also authorized by statute to represent consumers in proceedings before the Commission. Statements to the Attorney General should be addressed to The Honorable Josh Stein, Attorney General, 9001 Mail Service Center, Raleigh, North Carolina 27699-9001.

Written statements are not evidence unless those persons appear at a public hearing and testify concerning the information contained in their written statements.

Persons desiring to intervene in the matter as formal parties of record should file a petition pursuant to North Carolina Utilities Commission Rules R1-5 and R1-19 no later than Monday, October 18, 2021. These motions should be filed with the North Carolina Utilities Commission, 4325 Mail Service Center, Raleigh, North Carolina 27699-4300.

Information regarding this proceeding can be accessed from the Commission's website at [www.ncuc.net](http://www.ncuc.net) under the docket number for this proceeding.

This the 21st day of September, 2021.

NORTH CAROLINA UTILITIES COMMISSION



Lindsey A. Worley, Acting Deputy Clerk

(SEAL)